14) SUFFOLK HILLS

County Route 51 (North of Hot Water St.)

Riverhead, NY 11901

Rohn Tower 150'

Co-ordinates: Lat 40 52 58 Long 72 42 53

Tx. Freq(s): 1865.000 MHz

1905.000

15) Smith Point (Park Rangers)

William Floyd Parkway Toll Plaza

Shirley, NY

60 Ft Tower

Co-ordinates Lat 40 44 32 Long 72 52 12

Tx. Freq(s): 2188.000 MHz

16) Riverhead Complex

17) ITT/HAMPTON PARK

Edge of the Woods Road, (off Major's Path)

Hampton Park, NY 11968

Pre-war guyed Tower 200'

Co-ordinates: Lat 40 55 18 Long 72 23 33

Tx. Freq(s): 1945.000 MHz

18) Bay Shore (Suffolk County Water Authority(SCWA))

WNEH338

Co-ordinates: Lat 40 43 17 Long 73 15 17

19) Oakdale (SCWA)

WNE0290

Co ordinates Lat 40 44 57 Long 73 06 49

20) <u>Hither Hills</u> (SCWA)

WNEO291

Co-ordinates Lat 41 01 52 Long 71 58 15

21) Montauk (SCWA)

Montauk Point State Blvd.

Montauk, NY

WNE0291

Co-ordinates Lat 41 01 52 Long 71 58 15

Tx. Freq. 2138.8 MHz

22) Fire Rescue and Emergency Services (FRES)

WNEO766

FRES Comm Center

Yaphank Ave

Yaphank, NY 11980

Co-ordinates Lat 40 48 52 Long 72 55 04

Tx. Freq(s): 1875.000MHz



SUFFOLK COUNTY POLICE DEPARTMENT



TECHNICAL SERVICES SECTION

TELEFAX COVER SHEET

THE	MESSAGE	CONSISTS OF _	_0	SHEETS	FOLLOWING	THIS	COVER.
	SH	DULD ANY PORTION OF					

DIRECTED	TO:_	Ms.	Kathryn	Drucker	
FRO	OM:	D/I	Gregory	Curto	

RETURN TELEFAX AUTOMATIC ANSWER PHONE (516) 852-6418

Ms. Drucker,

In exchange for the 2 GHz frequencies, Suffolk County requests a total digital microwave upgrade which includes all enhancements with all County Management Information Services requirements as indicated in the information FEDX'd to you on Thursday, Oct.5'95. An additional revenue of \$18 million must be included as an inducement to consummate this negotiation in a timely manner.

Sincerely,

/Insp. Gregory Curto



SUFFOLK COUNTY POLICE DEPARTMENT



TECHNICAL SERVICES SECTION

TELEFAX COVER SHEET

THE MESSAGE CONSISTS OF ______ SHEETS FOLLOWING THIS COVER.

SHOULD ANY PORTION OF THIS MEMBAGE BE RECEIVED POORLY CONTACT THE SENDER BY VOCE AT (516) \$12-6414

DIRECTED	TO:_Ma	. Kathryn	Drucker
FRO	OM:	/I Gragory	Curto

RETURN TELEFAX AUTOMATIC ANSWER PHONE (516) 852-6418

Ms. Drucker: This is the position paper you asked for regarding Suffolk County;s 2 GHZ negotiations.

J10 002 0410

In order to sustain existing Police and Public Safety radio communications coverage, and to maintain and further expand the services which are now provided by the Suffolk County 2GHZ microwave, the following remodeling should be accomplished. Any agreement entered into between Suffolk County and a PCS operator, and any offers to Suffolk County for such an agreement should address each of the following issues.

Modification/Replacement Issue:

Chimony and a series

1. Entire microwave system, including Police, Fire, MIS, and Water Authority spurs, is to be replaced with an Optical Carrier 3 (OC3) level fault-tolerant (auto-reroute) diversely routed system. This system may employ either fiber optic or microwave transmission media, subject to fault tolerance requirements and review by Suffolk County. The following major nodes are to be included in the back bone system:

Rest Route:

Mt. Misery P.C. Richards N. County Complex Stony Brook Health Science Coram Hill Yaphank Headquarters Riverhead County Complex ITT

West Route:

ITT
Suffolk Hills
Yaphank PRES
5th Precinct
Cohalan Complex
3rd Precinct
Mt. Misery

Bach major node will be equipped with OC3 drop/add multiplexers with associated T1 tail circuit equipment (number of T1 tail circuits per site to be specified).

- Suffolk County Police Department will be sole owner, operator and manager of this new network.
- 3. Suffolk County does not wish to co-habit the 2GHZ band with the PCS provider, or "share" existing frequencies licensed to Suffolk County. This fact will require a shift, or migration, of the microwave system to operating frequencies in other than the 2GHZ band.
- 4. Frequency shift must be to the best available spectrum to meet path distance requirements for the Suffolk County Police's system configuration.

CHULL HOLLOW

5. In addition, all secondary nodes will be provided with T1 level circuits with route diversity, i.e, when a link to a major node fails, the circuit will auto reroute to an alternate node.

Location	# of Tl's	Location	坓
1st Precinct	3	SCCC -Selden	4
2nd Precinct	3	6th Precinct	3
SCCC - West	4	SCCC - East	4
Oper Ave (225)	2	Hither Hills	2
Oser Ave (135)	2	SCNA-Montauk	1
Rabro Drive	2	7th Precinct	3
Wheeler Road	2	Smith Point	1
700 Veterans Highwa	y 2	RML	2
888 Veterans Highwa		SCNA Cakdale	1
Meridian	2	SCWA Bayshore	1
Huntington Bay	2	Nassau Med Ctr.	2

- 6. All paths must be implemented with hot stand-by microwave and, where needed, space diversity.
- 7. System's reliability must be as least as good as existing system, if not improved. Each path must be designed for 99.99996% reliability, if not 100%.
- 8. System implementation must be turn key and be completed within ten (10) months of contract signing. Existing system must remain fully operational during transition and continue to be operational for three (3) months after systems switch-over.
- 9. Full maintenance coverage must be in effect for one year after system switch-over. Manufacturer's warranty must be in effect for a minimum of two years after implementation for all system components.
- 10. Contracted vendor must take full responsibility for all necessary transition equipment for interconnecting the Suffolk County Police 800 MHz trunked radio system to the new digital microwave network. No extended interruption of two-way radio communications will be acceptable.
- 11. If a new microwave path must be installed to provide required coverage or maintain system reliability, any additional tower construction must be the vendor's responsibility. Five police precincts now utilize monopoles to support four-foot (4') microwave dishes; it is requested that these monopoles be replaced with self-supporting towers to permit larger dish antennae to be installed. This change will be borne by the vendor.

CHELLING TO THE STATE OF STATE

12. All radios and multiplexers are to be fully redundant and incorporate automatic protection switching techniques to ensure continued system operation in the event of component failure (as noted previously).

Oc t

- 13. Vendor must also supply spare equipment for each system made part of this network. Vital spare components will be provided to the Suffolk County Police Department as per mutual agreement between the Department and the vendor. (Approximately a 10% maintenance spare level.)
- 14. The new system must also include a Mobile Data Terminal (NDT) system. Such system will include NDT infrastructure at:

Mt. Misery PC Richards Stony Brook Health Science Yaphank Headquarters Suffolk Hills ITT

The computer/central message switch for the MDT will be located at the Police Headquarters, Yaphank. At start-up installation the system will support 400 vehicle MDT's installed and supplied at the vendor's expense.

This system will eventually migrate, through technological development, to include a path into the Personal Communications Services (PCS) Industry's data stream, providing a workable relationship between government and Industry.

- 15. The vendor will also provide 800 MHZ radio infrastructure at the sites designated as Huntington Bay and BNL (Brookhaven National Laboratory). Infrastructure will be a full twenty-two channel trunked radio site fully compatible with and interfaced to the existing Suffolk County 800 MHZ trunked radio system.
- 16. Vendor will be responsible for and provide all items mentioned above at no cost to the County of Suffolk or any of the County's Departments or Agencies, as well as the following items:
 - (A) All frequency searches and clearances: to be performed by industry recognized path coordination and clearance firm to determine available operating frequency band channels on existing and proposed paths.

CHULLICHILLIONS

4

(B) All path engineering and path profiles: to determine line-of-sight and required fresnel zone clearance, with approval of Suffolk County Police Department.

UCt

- (C) FCC licensing: license applications for each radio station.
- (D) System engineering and design with final approval made by the Suffolk County Police Department: equipment selection and configuration, structural analysis of antenna mountings, cable and waveguide routing, primary and reserve power requirements and interface requirements. System design, construction and implementation will be monitored by a mutually agreed to system integrator provided at the vendor's expense.
- (E) All rigging and tower construction: antenna, waveguides, and new tower construction by licensed riggers.
- (F) All equipment installation: racking, wiring and connection of system equipment. Physical inspection and quality control checks of radio installations and system field tests.
- (G) System activation and acceptance testing: to be performed in accordance with those specifications noted in AT&T Compatibility Bulletin 119 and Suffolk County Police Department requirements for system acceptance.
- (H) Proposed microwave system will employ OC3 (155mb/s) equipment on all wide-band microwave shots.
- (I) Proposed microwave system will include an alarm-and-control status monitor for the microwave radio, and multiplex equipment, as well as critical support equipment (batteries, temperature controls, entrance alarms, etc.).
- (J) Equipment necessary to interface with all existing County fiber networks and current analog voice circuits shall be provided.
- (K) All training necessary for Suffolk County personnel to operate, maintain, and repair the new system will be provided by the contracted vendor.

5

Also in consideration of FCC recommendations, the Suffolk County Police Department would be agreeable to beta test new technological equipment under development for PCS. The type equipment that should be considered for public safety first responders would need to be mutually agreeable between the County and the PCS entrepreneur.

For further technical information, please contact:

Mr. Vincent R. Stile, SCPD Technical Services Section Telephone 852-6431

and/or,

Mr. Joseph Chiro, SCPD Technical Services Section Telephone 852-6430

and/or,

Mr. William J. Gardner, SCPD Technical Services Section Telephone 852-6436, 6437

and/or,

Mr. Robert F. Donnelly, Civil Service MIS Division Telephone 853-5014

95

6

Market Valuation

The Suffolk County marketplace contains a population of approximately 1.3 million people. Suffolk County is a key element in the lifestyle of the wireless customers in the New York BTA which contains a population of over 18.3 million people. The PCS industry authorities and service providers are projecting market penetrations of over 35% of this population within the next decade. Using current industry revenue projections ranging from current monthly revenues of \$55.00 per user to expected future monthly billings of \$ 45.00 per wireless user, these markets represent a potential revenue pool to be shared by the industry as illustrated below:

The Suffelk County Marketplace in Perspective

	Suffolk County MTA	New York BTA
Population	1,300,500	18,512,600
Customers projected	866,700	7,840,000
Revenue potential (at maturity)	\$ 39 million per month	\$ 353 million per month
Annualized revenues	\$ 467 million per year	\$ 4,236 million per year

Looking specifically to the market area immediately affected by the wireless sirepace covered by the existing Suffolk County 2 GHz microwave system, the Suffolk County market area will be a highly valuable wireless marketplace due to the high profile income demographics of the county. Lighty percent of the Suffolk County marketplace population is found to be in the upper income strata that have historically formed the backbone of the cellular marketplace. Using penetration ratios comparable to national penetration models for these income sectors, Suffolk County offers a potential base of approximately 900,000 high income wireless users. The market at the eastern end of Long Island [The Hamptons] also serves to make Suffolk County a keystone in the market coverage area that will be required by the users in the metropolitan sectors of the New York BTA.

7

The projected revenues at risk through delayed entry into the Suffolk County marketplace are comprised of several factors:

- a. The loss of direct Suffolk County revenues
- b. The penalties of product and service attractiveness in the New York BTA marketplace without including Suffolk County as part of the active service area.
- c. Permanent loss in the New York BTA in the amount of 10 20 percentage points of the market share.

Revenues at Rick for a Service Provider growing to a 30 % Share of Market

Revenues at risk	Surfalk County	New York BTA
Local market revenues in years 1 - 5	\$ 150 million	
Product disadvantages in the New Metropolitan market, (20%)		\$ 1,300 million at 20% = \$ 260 million
Projected revenue carned with 5 year carry	\$ 143.9 million	\$ 1,300 million
Permanent loss of market share (10 % points) in years 6-10	\$ 572 million cumulative in years 6 - 10 - \$57.2 million	\$ 5,106 million cumulative in years 6 -10 = \$ 510 million

Negotiations Summary for SUFFOLK COUNTY POLICE

Client:

STV

Negotiator: Meeting Date: Katie Drucker October 30, 1995

Meeting Attendecs:

Gregory Curto (Communications Manager)

Joseph Chiro (Chief Technician)

Bill Gardner (System Operation Technician)

Bob Donnelly (Communications Manager for County)

Spike Schultheis (UTC Consultant, Mission Communications Group)

System Overview:

System Overview:

System is 13 paths total (incumbent says there are 21 paths total). Seven (15) paths are 2.1. Six paths are 2. GHz. Omnipoint is interested in three of these paths. STV is interested in one of these paths:

Site 1	Call sign	Frea.	Site 2	Call sign	Freo.	PCS interest
Hauppaugo	WNTD938	1935.0000	3rd Precinct	WEG578	1855.0000	Omnipoint
Coram Hill	WEGS81	1875.0000	PDHQ Yaphan	WEG582	1935.0000	Omnipoint .
Majors Path	WEG576	1945.0000	Suffolk Park	WEG577	1865.0000	Omnipoint
Coram Hill	WEG581	1875.0000	Hauppauge	WNTD938	1955.0000	STV

The incumbent submitted a detailed outline of their requirements for microwave relocation. Among the requests were a systemic change out (including the 2.1 Ghz paths), all upgraded to digital, as well as a cash payment of 18 million dollars.

The purpose of the meeting was to review the incumbents proposal. I handed out copies of the latest Notice of Proposed Rule Making from the FCC and referenced the sections that more clearly define comparable systems and good faith negotiations. Mr. Curto began the meeting by stating that "basically, the proposal is not a starting place. It is a reasonable, equitable, and detailed review of the PCS marketplace in Suffolk County." He stated that "Analog for analog is totally unacceptable" and that he wanted to know what my clients response to the proposal was.

My response was to inform them of how the proposal had been received by both Omnipoint and STV, and then to articulate to the incumbent the ramifications of the message their proposal had sent. In addition, I informed them that their "position" gave them the distinction of the most outlandish and grossest example of price gouging to date that either of my clients, and many other licensees, had seen nationwide. I mentioned that I understood their proposal to be based upon information provided by UTC and their consultants, but emphasized that these expectations were "devised in a vacuum" and that my clients represented the actual marketplace. I explained that it may be more in the interest of PCS licensees to spend any "premiums" in engineering around incumbents with outrageous demands, or spending the money on resources in Washington, D.C. who may address these issues with lawmakers. Mr. Curto replied that it was his understanding from his people that there was absolutely no way for the PCS licensecs to engineer around them. I replied that it wasn't necessarily the case and that he needed to consider the source of his information.

I also explained that it is not possible for the PCS licensees to contemplate co-location within the parameters of relocation because of antitrust concerns on the part of the PCS licensees. I explained that colocation agreements represent long-term arrangements that directly effect and relay information regarding coverage areas and that the risk of combining this information in a relocation agreement was not worth the risk to either client. I let them know furthermore that given their initial position which they claim to be non-negotiable, neither PCS licensee was interested in forming any sort of long-term relationship with such an entity.

Negotiations Summary for SUFFOLK COUNTY POLICE

Mr. Curto then said "well that's fine, we'll just wait until the C block is auctioned and then we'll have a couple million dollars more to play around with" to which I replied that the C block auctions are going to most likely include the same entities that have bid on the A and B blocks and they will be no more willing to address the County's demands as my clients. I went on to explain that if the A and B block relocation efforts continue to include more such acrimonious negotiations, the PCS licensees will make a point of advertising this fact to the commission and to anyone that may consider bidding on the C block auctions. I then explained that it was unlikely that the FCC, the White House, and the Congress would be willing to risk the projected S7.5 billion dollars in additional revenues from the outstanding PCS auctions, as well as the potential opportunities for future auctions in order for the Suffolk County Police to have their demands met for outlandish cash premiums above and beyond a comparable replacement.

As I began to pack up my bags to leave, Mr. Donnelley said that they would like to see a proposal submitted from my clients that outlined what they would be willing to provide. Mr. Curto agreed that he would like to see this and added that I needed to understand that it is the expectation of the Suffolk County Commission that they will receive a large cash payment in addition to a replacement system. If there is no cash payment included in the proposal, then there is no way that the Commission will approve the deal.

Mr. Donnelley went on to emphasize that it is not the intent of the County to sit on things, or drag their heels and that they would very much like to move forward with these negotiations. He also requested that in order to help them out of their vacuum, they would like to know the parameters of other deals that have been settled between municipalities and my clients so that they can better determine how "out of the ballpark" they are. I said that I believed it highly unlikely again because of antitrust concerns and issues of confidentiality that I could disclose that information, but that I would review this with my clients.

Mr. Donnelley and Mr. Curto added that another resource they would be interested in sharing is the excess capacity on any network that a PCS licensee could use for backhaul. I replied that I would review that with my clients as well.

Recommendation:

I will draft a relocation term sheet to send to Suffolk County that offers the following:

- Relocation of all six 1.9 Ghz paths (this includes the two paths that are co-channel to the C block that currently remain un-addressed).
- Proposal of analog replacement equipment or digital replacement equipment (excluding mux) if the incumbent can migrate off of the system and relocation can be complete no later than March 1, 1995.
- Proposal of digital equipment including mux if Suffolk County provides to each PCS licensee the colocation rights on at least 4 sites for a period (of ten years?).
- I will articulate the intention of the PCS licensees to perform this work turn-key and to ensure that comparable facilities, as outlined in the FCC documents are met.
- This proposal will have an accept or decline line for execution.

Next Steps:

- Draft Term Sheet
- Omnipoint and STV should avidly explore any connections to the Suffolk County Commission to initiate discussions on that level.

SUFFOLK COUNTY POLICE **RELOCATION PROPOSAL**

This document sets forth the terms and conditions of a proposal pursuant to which Sprint Telecommunications Venture ("STV"), Omnipoint ("Omnipoint"), (collectively, the "PCS Licensees") and the Suffolk County Police (the "County") agree to relocate certain 2 GHz facilities to microwave facilities at 6 GHz frequencies.

Path Description

For the purposes of cost sharing, the following paths are the responsibility of STV and are to be decommissioned and relocated to replacement facilities according to the schedule outlined below:

Path No.	Site 1	Call Sign	Freq.	Site 2	Call Sign	Freq.
- 1	Coram Hill	WEG581	1875.0000	Hauppauge	WNTD938	1955.0000

For the purposes of cost sharing, the following paths are the responsibility of Omnipoint and are to be decommissioned and relocated to replacement facilities according to the schedule outlined below:

Path No.	Site 1	Call Sign	Freq.	Site 2	Call Sign	Freq.
`2	Hauppauge	WNTD938	1935.0000	3rd Precinct	WNEG578	1855.0000
^ 3	Coram Hili	WEG581	1875.0000	PDHQ Yaphank	WEG582	1935.0000
~4	Majors Path	WEG576	1945.0000	Suffolk Park	WEG577	1865.00004

lecement System

The PCS Licensees hereby present the County with the following three mutually exclusive proposals of which the County may select one for relocation of the paths. (The proposals listed below provide a single path solution, but are applicable to all four above listed paths.):

Proposal 1 (Turnkey Analog Replacement)

- Two (2) CMI 600 channel analog radios.
- Antennas and space diversity where needed.
- EWP63 Waveguide
- All necessary installation services and installation hardware.
- System training
- System reliability comparable to the existing system.
- · System spares.
- Necessary FCC licensing for the installation and operation of the path.

Proposal 2 (2 GHz Systemic Analog Replacement)

In exchange for the inclusion of the relocation of the two additional C block paths as listed below (making a total of six paths to be relocated) and the services provided in the relocation, the County agrees to allow each of the PCS licensees, at its election, to co-locate, from time to time at no charge, facilities for a PCS network on the County's microwave network properties as negotiated. Co-location rights shall include space on all of the County's towers and microwave facilities as defined in a definitive contract, adequate interior or exterior space at antenna locations for electronic equipment as required, and 24 hour access to all utilized sites. The PCS Licensees agree to pay for all zoning, building permits, and services required to support the PCS installations.

Path No.	Site 1	Call Sign	Freq.	Site 2	Call Sign	Freq.
`5	Hauppauge	WNTD938	1975.0000	Mt. Misery	WEG579	1895.0000
`6	Suffolk Par	WEG577	1905.0000	PDHO Yaphani	k WEG582	1985.0000

SUFFOLK COUNTY POLICE RELOCATION PROPOSAL

Proposal 2 (2 GHz Systemic Analog Replacement) Cont.

- Two (2) CMI 600 channel analog radios.
- Antennas and space diversity where needed.
- Waveguide
- All necessary installation services and installation hardware.
- System training
- System reliability comparable to the existing system.
- System spares.
- Necessary FCC licensing for the installation and operation of the path.

Proposal 3 (Digital Radio Replacement)

In exchange for the upgraded radios from analog to digital and the services provided in the relocation, the County agrees to allow each of the PCS Licensees, at its election, to co-locate, from time to time at no charge, facilities for a PCS network on the County's microwave network properties as negotiated. Co-location rights shall include space on all of the County's towers and microwave facilities as defined in a definitive contract, adequate interior or exterior space at antenna locations for electronic equipment as required, and 24 hour access to all utilized sites. The PCS Licensees agree to pay for all zoning, building permits, and services required to support the PCS installations.

- Two (2) I6DS-1 radios
- Antennas and space diversity where needed.
- Waveguide
- Transmux where necessary
- Necessary FCC licensing for the installation and operation of the path.
- Necessary installation services and installation hardware.

Relocation Program Management

PCS Licensees, or a designated contractor mutually agreed upon by the parties will perform the project management of the relocation of these paths. If Proposal 1 or Proposal 2 is selected, Paths 1, 2, 3, and 4 will be relocated. If Proposal 2 is selected, Paths 1, 2, 3, 4, 5, and 6 will be relocated.

Equipment Purchase

• Under each of the Proposals, all equipment and materials necessary for the relocation of these paths will be purchased by the PCS Licensees.

Relocation Timing

Start Date:

As soon as possible.

Completion Date:

All Path migration to occur by April 15, 1996.

• Final Sign Off:

Paths to be shut down and Certificates of Waiver executed and delivered to

STV and Omnipoint respectively by April 22, 1996.

Other Terms and Conditions

- Upon request of each of the PCS Licensees, the County agrees to execute and deliver to STV and Omnipoint the respective FCC form 402's for the modification of the licensed frequencies of the above listed paths. Such forms will be prepared and delivered to the County by the PCS Licensees.
- This proposal is contingent upon all three parties' agreement on a term sheet and definitive contract with additional terms and conditions and the parties agree to negotiate in good faith to execute a term sheet and an agreement by January 19, 1996.

SUFFOLK COUNTY POLICE RELOCATION PROPOSAL

Other Terms and Conditions (Cont.)

- This proposal, any technical or business information furnished or disclosed by one party to the other and the definitive contract shall be deemed "Confidential Information" unless specifically indicated in writing to the contrary. Each party agrees to hold such Confidential Information in confidence and not disclose any such Confidential Information to anyone except employees, subcontractors, or vendors to whom disclosure is necessary for the purposes set forth in this term sheet. Notwithstanding the foregoing, STV, Omnipoint and their affiliates may disclose the relevant terms and conditions to other PCS licensees for cost sharing purposes.
- As of the Final Sign-Off Date, the County accepts RF signal interference from the PCS Licensees and agrees not to interfere with either of the PCS Licensees' PCS system.
- Unless executed, this proposal expires November 30, 1995.

Accept	Decline
Proposal Number	Date
Date	

Suffolk County Police

Proposal sent to Suffolk County Police. Proposal has a decline or acceptance execution line that will give indication of intent to negotiate in good faith. Omnipoint has possible connection to Suffolk County Commission which they will explore.

COUNTY OF SUFFOLK



ROBERT J. GAFFNEY COUNTY DECUTIVE

PETER F. COBGROVE POLICE COMMUNICATION

POLICE DEPARTMENT

November 28, 1995

Dear Ms. Drucker:

The Committee has reviewed your latest proposal dated November 21, 1995, and we find it to be unacceptable. We look forward to continued negotiations on this matter.

Sincerely,

All information contained herein is specifically designated as being confidential and proprietary.

ANIMO LA CLOS COMMANDO DE COMMA

Negetiations Summary for SUFFOLK COUNTY POLICE

Client:

STV

Negotiator: Meeting Date: Katie Drucker January 17, 1996

Total Number of 1.9 GHz links: 6

Total Number of 1.9 GHz links in this Market: 6

Total Number of Links in System: 13

Total Number of Links Assigned by STV: 1

Contracted Paths:

Site 1	Call sign	Freq.	Site 2	Callsign	Freg.	Path No.
Coram Hill			Hauppauge	WNTD938	1955.0000	2707
PDGG YAY	hank WEGES	2 1985.00	o fresce 4	4 ANEO166	1875.000	2697
Overview:				·		

The incumbent submitted a detailed outline of their requirements for microwave relocation. Among the requests were a systemic change out (including the 2.1 GHz paths), all upgraded to digital, as well as a cash payment of 18 million dollars.

The purpose of the meeting was to review the incumbents proposal. I handed out copies of the latest Notice of Proposed Rule Making from the FCC and referenced the sections that more clearly define comparable systems and good faith negotiations. Mr. Curto began the meeting by stating that "basically, the proposal is not a starting place. It is a reasonable, equitable, and detailed review of the PCS marketplace in Suffolk County." He stated that "Analog for analog is totally unacceptable" and that he wanted to know what my clients response to the proposal was.

My response was to inform them of how the proposal had been received by both Omnipoint and STV, and then to articulate to the incumbent the ramifications of the message their proposal had sent. In addition, I informed them that their "position" gave them the distinction of the most outlandish and grossest example of price gouging to date that either of my clients, and many other licensees, had seen nationwide. I mentioned that I understood their proposal to be based upon information provided by UTC and their consultants, but emphasized that these expectations were "devised in a vacuum" and that my clients represented the actual marketplace. I explained that it may be more in the interest of PCS licensees to spend any "premiums" in engineering around incumbents with outrageous demands, or spending the money on resources in Washington, D.C. who may address these issues with lawmakers. Mr. Curto replied that it was his understanding from his people that there was absolutely no way for the PCS licensees to engineer around them. I replied that it wasn't necessarily the case and that he needed to consider the source of his information.

I also explained that it is not possible for the PCS licensees to contemplate co-location within the parameters of relocation because of antitrust concerns on the part of the PCS licensees. I explained that co-location agreements represent long-term arrangements that directly effect and relay information regarding coverage areas and that the risk of combining this information in a relocation agreement was not worth the risk to either client. I let them know furthermore that given their initial position which they claim to be non-negotiable, neither PCS licensee was interested in forming any sort of long-term relationship with such an entity.

Mr. Curto then said "well that's fine, we'll just wait until the C block is auctioned and then we'll have a couple million dollars more to play around with" to which I replied that the C block auctions are going to most likely include the same entities that have bid on the A and B blocks and they will be no more willing to address the County's demands as my clients. I went on to explain that if the A and B block relocation efforts continue to include more such acrimonious negotiations, the PCS licensees will make a point of

advertising this fact to the commission and to anyone that may consider bidding on the C block auctions. I then explained that it was unlikely that the FCC, the White House, and the Congress would be willing to risk the projected \$7.5 billion dollars in additional revenues from the outstanding PCS auctions, as well as the potential opportunities for future auctions in order for the Suffolk County Police to have their demands met for outlandish cash premiums above and beyond a comparable replacement.

As I began to pack up my bags to leave, Mr. Donnelley said that they would like to see a proposal submitted from my clients that outlined what they would be willing to provide. Mr. Curto agreed that he would like to see this and added that I needed to understand that it is the expectation of the Suffolk County Commission that they will receive a large cash payment in addition to a replacement system. If there is no cash payment included in the proposal, then there is no way that the Commission will approve the deal.

Mr. Donnelley went on to emphasize that it is not the intent of the County to sit on things, or drag their heels and that they would very much like to move forward with these negotiations. He also requested that in order to help them out of their vacuum, they would like to know the parameters of other deals that have been settled between municipalities and my clients so that they can better determine how "out of the ballpark" they are. I said that I believed it highly unlikely again because of antitrust concerns and issues of confidentiality that I could disclose that information, but that I would review this with my clients.

Mr. Donnelley and Mr. Curto added that another resource they would be interested in sharing is the excess capacity on any network that a PCS licensee could use for backhaul. I replied that I would review that with my clients as well.

OMNIPOINT IS PURSUING POLITICAL CONNECTIONS INTO SUFFOLK COUNTY COMMISSION. CSM WILL APPRISE STV AS TO THIS PROGRESS.